

SENATE BILL NO. 349

INTRODUCED BY COCCHIARELLA

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT AN INSURANCE COMPANY MAY NOT REQUIRE A PERSON ENTITLED TO A CAR RENTAL WHILE THE PERSON'S OWN CAR IS BEING REPAIRED TO SELECT ANY ONE CAR RENTAL BUSINESS; AND PROVIDING THAT AN INSURANCE COMPANY THAT PROVIDES FOR DIRECT PAYMENT TO ANY ONE OR MORE CAR RENTAL BUSINESSES IN THIS STATE MUST PROVIDE FOR DIRECT PAYMENT TO ANY CAR RENTAL ~~COMPANY~~ BUSINESS CHOSEN BY A PERSON FOR WHOM THE INSURANCE COMPANY IS OBLIGATED TO PROVIDE A CAR RENTAL."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Designation of specific car rental ~~company~~ BUSINESS prohibited. (1)

An insurance company, including its producers and adjusters, that issues or renews a policy of insurance in this state covering, in whole or in part, a motor vehicle may not:

(a) require that a person, whether or not insured by the insurance company, for whom the insurance company is obligated to provide a car rental while the person's own car is being repaired use a particular car rental business; or

(b) engage in any act or practice that intimidates, coerces, or threatens a person ~~or that provides an incentive or inducement for a person~~ to use a particular car rental business.

(2) ~~(A)~~ An insurance company that is subject to the provisions of this section and that provides for direct payment to any one or more car rental businesses in this state must provide for direct payment to any car rental ~~company~~ BUSINESS selected by a person described in subsection (1)(a). ~~The rate must be the usual and customary rate the car rental business charges an insurance company. An insurance company, subject to the provisions of this subsection, shall take all steps necessary, including access to applicable computer systems, to ensure that any rental car company that is entitled to direct payment receives direct payment.~~

(B) FOR THE PURPOSES OF THIS SECTION, "DIRECT PAYMENT" MEANS A METHOD BY WHICH AN INSURANCE COMPANY MAKES A DIRECT PAYMENT ON BEHALF OF AN INSURED OR A THIRD PARTY EITHER THROUGH ELECTRONIC MEANS OR BY CHECK TO A CAR RENTAL BUSINESS.

1 (C) THE INSURANCE COMPANY MAY APPROVE THE DAILY RATE TO BE PAID BY THE INSURANCE COMPANY BASED
2 ON THE CAR CLASSIFICATION.

3 (D) THE INSURANCE COMPANY IS NOT OBLIGATED TO PAY MORE TO THE CAR RENTAL BUSINESS THAN IS PROVIDED
4 IN THE INSURED'S POLICY LIMITS PURSUANT TO 33-23-203.

5 ~~(3) It is unlawful for a car rental business to charge or agree to charge a customer whose car rental is~~
6 ~~being paid for by an insurance company more than a customer whose car rental is not being paid for by an~~
7 ~~insurance company.~~

8 (3) THIS SECTION DOES NOT REQUIRE AN INSURER TO PAY MORE FOR A COMPARABLE CAR RENTAL THAN THE
9 LOWEST PRICE NEGOTIATED BETWEEN A CAR RENTAL BUSINESS AND THE INSURER.

10 (4) THIS SECTION DOES NOT PROHIBIT AN INSURER, ITS PRODUCERS, OR ITS ADJUSTERS FROM PROVIDING TO
11 A CUSTOMER THE NAME OF A CAR RENTAL BUSINESS WITH WHICH ARRANGEMENTS MAY HAVE BEEN MADE TO PROVIDE CAR
12 RENTAL SERVICES AS LONG AS THE ULTIMATE CHOICE IS LEFT TO THE PERSON DESCRIBED IN SUBSECTION (1)(A).

14 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
15 integral part of Title 33, chapter 18, part 2, and the provisions of Title 33, chapter 18, part 2, apply to [section 1].

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